

CARES Landlord Assistance

Introduction

On March 23, 2020 Governor Walz issued Executive Order 20-14 which suspended evictions in Minnesota. On September 4, 2020, the Centers for Disease Control (CDC) signed a declaration ordering a temporary halt to residential evictions nationwide. Many residents of Ramsey County, while protected from eviction, did not make rent payments due to income loss from the pandemic. Therefore, landlords and property owners did not receive rent payments. In response, Ramsey County used Coronavirus Aid, Relief, and Economic Security (CARES) Act funds to support landlords impacted by loss of revenue. The goals of this program were:

- To provide a one-time grant to landlords who have experienced lost revenue to cover rent and late fees.
- To stabilize the rental market for landlords and housing for renters.
- To increase community partnerships/relationships with landlords in order to stabilize rental market and/or build/maintain housing stability for renters, while increasing program efficiencies in Ramsey County's response to those in need of emergency assistance.

Landlords in Ramsey County who experienced loss of revenue due to COVID-19 between March 1, 2020, and December 30, 2020, were eligible to apply for assistance. Eligible landlords included individuals/sole proprietors or self-employed individuals, corporations or limited liability companies, and non-profit housing developers. The target populations for the two rounds of funding were as follows:

- Small landlords owning no more than 50 units; units can be spread across multiple properties.
- All other landlords, including small landlords who did not apply in first round, in Ramsey County.

Landlords could apply for up to \$20,000 in lost rent and late fees per unit; the county could limit number of units funded based on availability.

Evaluation Description

Overall, Ramsey County measures the effectiveness of CARES-funded projects against two overarching questions: (1) Are Ramsey County residents better off as a result of CARES programming? and (2) Did the project achieve the outcomes the community was seeking? These two overarching questions will be applied to the Landlord Assistance Program through the application of the following four key study questions:

- Are Ramsey County landlords and renters better off as a result of the landlord assistance program?
- Was the rental housing market stabilized and were landlords able to prevent default on their mortgages or loss of their properties?
- Did the project serve the most vulnerable to COVID-19?
- How can Ramsey County better partner with landlords post-pandemic to support low-income renters and housing stability?

In order to answer the evaluation questions, landlords who received the assistance grant were sent an online survey, two focus groups were conducted, and application data were reviewed. The full report is

available on the [CARES Evaluation Page](#). Geographic distribution of payments is available on [Open Data Ramsey County](#).

What We Learned

Are Ramsey County landlords and renters better off as a result of the Landlord Assistance Program?

According to survey results, when landlords were asked if they are better off after receiving a grant from the Landlord Assistance Program, 78% reported they were, while only 12% said they were not (10% indicated they did not know or preferred not to answer). Through these funds, the county was able to provide \$8.2 million in support to 676 landlords on behalf of 2,212 tenants.

Was the rental housing market stabilized and were landlords able to prevent default on their mortgages or loss of their properties?

Ramsey County hoped the assistance to landlords would help to stabilize the rental housing market and make it possible for landlords to avoid defaulting on their mortgages or losing their properties. Landlords who participated in focus groups were asked if the assistance they received through the program covered their needs. While landlords reported that that the assistance covered most of their expenses, there were concerns for ongoing maintenance and utility expenses if tenants continued not paying rent.

Another question asked of landlords to determine the stability of the rental housing market was regarding the outlook on the health of their residential rental business for 2021. Slightly more than half (53%) reported it was positive, 17% reported it was neutral and less than one-third (30%) described it as negative. Finally, they were asked on the survey if they intended to continue their residential rental business and the vast majority (79%) said yes, while only 4% said they do not intend to continue. However, it is worth noting that focus group results indicated several landlords have sold some of their properties or have plans to do so in the coming year to minimize financial losses.

While the landlords who received grants benefitted, the scope of the program was too small to stabilize the rental market broadly. With 676 approved applications, benefitting 2,212 tenants, this program reached only a small number of landlords potentially needing assistance. Survey and focus group data indicate quite a bit of uncertainty about their future prospects. This program was helpful but did not have evidence of impact on the rental market more broadly.

Did the project serve the most vulnerable to COVID-19?

The majority tenants whose landlords received assistance lived in areas considered vulnerable or very vulnerable to the impacts of COVID-19. Application data was used to determine if those most vulnerable according to the CDC's [Social Vulnerability Index](#) to COVID-19 were the residents who received the assistance. Of the 2,212 tenant addresses, 62% of tenants whose landlords received assistance lived in areas with high vulnerability scores, meaning they were most vulnerable to impacts of COVID-19 and other disasters. Nineteen percent of tenants lived in areas considered vulnerable with scores between 0.5 to 0.74 and 20% were in areas not considered vulnerable. Application data did not include other data on tenants, such as age, race/ethnicity, or gender so we are unable to make comparisons in this area.

How can Ramsey County better partner with landlords post-pandemic to support low-income renters and housing stability?

In two focus groups landlords recommended ways the county could better partner to support renters and overall housing stability. They recommended:

- Landlords said they would like to be informed about additional available assistance through the American Rescue Plan Act of 2021 (ARP) moving ahead since their financial challenges are ongoing and they anticipate ongoing inconsistent income.
- Landlords reported overwhelmingly that they prefer the option to apply for assistance on their tenant's behalf rather than have tenants apply directly if additional assistance is available.
- Clarity about under which circumstances tenants could be evicted during the moratorium, especially regarding tenants they felt could pay rent but were deciding not to.
- Improve communication with landlords (informing them of the assistance program, during the application process, and regarding additional resources and services for their tenants).
- Engage landlords and wide-spread community in larger discussions about housing stability and restorative practices.

Recommendations

The following recommendations are made recognizing the passage of the American Rescue Plan. City, county, and state jurisdictions are partnering in planning the Emergency Rental Assistance program (ERA) that will provide rental and utility shut-off assistance to both tenants and landlords. It will not provide mortgage assistance. The recommendations below address short-term recommendations for both the new ERA program as well as recommendations for Ramsey County in its broader work to ensure housing stability. Ramsey County will have two distinct programs, a metro-wide landlord assistance program and a county/city of Saint Paul tenant program. However, a common application will be created and used for both programs.

Short-term Recommendations

With the passage of the American Rescue Plan and Ramsey County's participation in the ERA program, Ramsey County will be collaborating with Hennepin, Anoka, Dakota, and Minneapolis and St. Paul through the Minnesota Housing Finance Agency (MHFA) to create a centralized program. This effort will allow programs to consolidate administration of the program and simplify the application process and payments. In addition, we recommend that the county:

- Ensure that **the online portal for the common application process** allows applicants to apply online and upload required documents, check the status of their application, and check issuance.
- **Develop a packet of information landlords can provide for tenants** with information about financial support for rent payments, other county services, and other community supports such as food shelves.
- There is confusion around the details of the eviction moratorium among landlords and tenants. Some landlords were concerned that they could not evict tenants for lease violations not related to payment. **The county should partner with trusted messengers and utilize town halls to provide information to landlords and tenants about the eviction moratorium** and what is and is not allowed under the law.

Long-term Recommendations

This program was put together quickly to meet immediate needs in the community and to meet spending deadlines of the CARES Act. In addition, while this evaluation provides some information, it had low survey response rate and only 11 landlords participated in focus groups. Both factors make long-term recommendations difficult. This was the first time the county engaged with landlords in this

way and there is a lot to be learned about how the county, tenants, and landlords can better partner to support housing stability and affordability. Recognizing these things, in the long-term we recommend:

- **Intentionally engage with tenant groups, landlords, and housing legal experts to design longer-term solutions to housing stability.** The county needs to be mindful of unintended consequences of providing different types of rent relief and the interactions between new program and existing programs like Emergency Assistance/Emergency General Assistance. A working group made up of landlords, tenants, and other legal expertise in rental law and policy would allow the county to take a thoughtful approach that fills gaps and avoid unintended consequences that could negatively impact the long-term goal housing stability.
- Communication and trust between landlords and tenants were cited as ongoing issues for landlords. **While the county has not traditionally had a role in what some landlords called a “restorative process” to repair communication breakdowns and mistrust, the county should consider how it can support community organizations who do this work.**